

## Program F: W. O. Moss Regional Medical Center

Program Authorization: Act 218 of 1956; Act 753 of 1972; Act 800 of 1990; and Act 3 of 1997

### PROGRAM DESCRIPTION

The mission of the W. O. Moss Regional Medical Center is to provide quality acute and primary health care services to all individuals, as well as to provide a clinical setting.

The goals of W. O. Moss Regional Medical Center are:

1. Prevention: To provide health care effectiveness with an emphasis on preventive and primary care.
2. Partnership: To integrate health delivery network with internal and external community partners.
3. Performance: To improve management information systems and fiscal accountability.

Walter Olin Moss Regional Medical Center was known as Lake Charles Charity Hospital when it was constructed in 1958 and was renamed in 1978 to honor a pioneering surgeon in the 1920's. The four-story facility started accepting patients in July of 1960. Act 3 of the 1997 Regular Session of the Legislature mandated the establishment of the LSU Medical Center Health Care Services Division of which W.O. Moss is currently a part. The Medical Center serves a five-parish area in Southwest Louisiana, including Beauregard, Calcasieu, Cameron, Jefferson Davis and adjacent parishes.

The facility provides acute general medical and specialty services and critical care to the indigent, uninsured, Medicare, and Medicaid patients of the hospital's service area. The hospital provides additional support functions such as pharmacy; blood bank; respiratory therapy; anesthesiology; and various diagnostic services and other support functions of a non-medical nature, such as administration; maintenance; housekeeping; mail service; purchasing; accounting; and admissions and registration.

As of fiscal year 2000, W.O. Moss has 74 staffed beds with twenty psychiatric beds managed by the Department of Health and Hospitals, Office of Mental Health. Moss, in 1997, entered into a cooperative endeavor with Lake Charles Memorial Hospital to provide obstetrical services. This action benefits both the patients and the public system. The patients benefit from this public/private section integration being allowed to have pre-natal and post-natal care locally as opposed to traveling 60 miles to the nearest hospital. The LSUMC-HCSD benefits by preventing other LSUHSC hospitals from becoming backlogged with patients referred from W.O. Moss. Most importantly, from a long-term perspective, appropriate care reduces high-risk pregnancies and deliveries. Another similar arrangement has taken place with radiation/oncology services.

Moss now includes health-related education as part of its system. Currently, Moss provides training to students from McNeese State University in the disciplines of nursing, radiology, and dietary services. Clinical experience for graduate nursing students is also provided affiliation with Northwestern State University, McNeese State University, and the University of Texas Medical Branch at Galveston. Training is also provided to students from local Vo-Tech schools, such as Sowela, have the opportunity to allow their students to gain training, as well.

### OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

**The objectives and performance indicators that appear below are associated with program funding in both the Base Executive Budget and Governor's Supplementary Recommendations for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.**

1. (KEY) To continue to provide professional, quality, acute general medical and specialty services to patients in the hospital and maintain the average length of stay of 5.3 days for patients admitted to the hospital.

Strategic Link: *This objective reflects the movement toward the achievement of the 1998-2002 Health Care Services Division (HCSD) Strategic Plan Goal 1: Implement initiatives to improve effectiveness of health care delivery in the HCSD system by enhancing the preventive and primary care components.*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of staffed beds <sup>1</sup>	72	74	65 <sup>2</sup>	65 <sup>2</sup>	74	74
K	Average daily census <sup>3</sup>	Not applicable <sup>4</sup>	39	Not applicable <sup>5</sup>	38 <sup>6</sup>	39	39
K	Emergency department visits	30,986	42,287	38,402 <sup>2</sup>	38,402 <sup>2</sup>	41,149	41,149
S	Total outpatient encounters	121,002	103,468	94,530 <sup>2</sup>	94,530 <sup>2</sup>	103,699	103,699
K	Percentage of gross revenue that is outpatient revenue (current year)	Not applicable <sup>4</sup>	55.61%	Not applicable <sup>5</sup>	56.31% <sup>6</sup>	57.05%	57.05%
S	Number of staff per patient	Not applicable <sup>4</sup>	6.35 <sup>7</sup>	Not applicable <sup>5</sup>	6.14 <sup>7</sup>	5.79 <sup>7</sup>	5.79
S	Average length of stay for inpatients	5.1 <sup>4</sup>	5.6	4.9	4.9	5.3	5.3
K	Cost per adjusted discharge <sup>8</sup>	Not applicable <sup>4</sup>	\$4,925	\$8,317	\$8,317	\$4,578 <sup>9</sup>	\$4,578
K	Readmission rates	Not applicable <sup>4</sup>	Not available <sup>7</sup>	Not applicable <sup>5</sup>	Not available <sup>7</sup>	Not available <sup>7</sup>	Not available <sup>7</sup>
S	Patient satisfaction survey rating	Not applicable <sup>4</sup>	Not available <sup>7</sup>	Not applicable <sup>5</sup>	Not available <sup>7</sup>	Not available <sup>7</sup>	Not available <sup>7</sup>
K	HCFA accreditation	Not applicable <sup>4</sup>	100%	80%	80%	100% <sup>10</sup>	100%
K	Salaries and benefits as a percent of total operating expenses <sup>8</sup>	Not applicable <sup>4</sup>	45.36%	46.31%	46.31%	45.08%	45.08%
S	Percentage change in gross outpatient revenue as a percent of total revenue	Not applicable <sup>4</sup>	2.77%	Not applicable <sup>5</sup>	1.26%	1.31%	1.31%

- <sup>1</sup> Staffed beds is consistent with the American Health Association's definition of available beds.
- <sup>2</sup> HCSD had earlier planned to absorb the FY 2000 \$40 million budget shortfall entirely in inpatient days. The impact of such a course of action would have been a wholesale reduction in the number of staffed beds, reducing inpatient days, reducing clinic visits and increasing emergency department visits, because of loss of staff. Performance standards shown in the Executive Budget were adjusted in anticipation of this course of action. Since the standards adjustment occurred, HCSD offset \$7 million of the losses with efficiencies and gave the medical centers the responsibility for developing contingency plans to allow them to decide how the cuts might best be made. As a result, the performance standards must be re-adjusted because inpatient days, outpatient encounters, and available (staffed) beds are set much too low, given the current situation and will either be impossible to meet or very easy.
- <sup>3</sup> In order for average daily census to be meaningful, it must be understood in context. Actual daily census can be at can be at or over 100 percent of staffed beds on some high-demand days, and additional beds (over the average daily census) have traditionally been kept available by all hospitals to deal with unanticipated demand.
- <sup>4</sup> This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.
- <sup>5</sup> This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.
- <sup>6</sup> This Existing Operating Budget Level figure is an estimate and not a standard that appeared under Act 10 for FY 1999-2000.
- <sup>7</sup> HCSD is working on providing this information and plans to submit an amendment to House Bill 1 to add this as a quality of care indicator.
- <sup>8</sup> There is great diversity in the level and volume of service provided at medical centers. There is a cost differential inherent in the proportion of primary (non-emergent outpatient care) and secondary services (inpatient services) provided by a hospital. Tertiary services, such as the advanced trauma services provided at MCLNO, add another level of costs that need to be factored in the comparison. Whether a hospital provided medical education must also be considered. These factors impact the cost per adjusted discharge and the number of employees per adjusted discharge. Each hospital in the HCSD system should be compared to groups in the nation which are as closely similar as possible in order to get a sense of how well each hospital is functioning.
- <sup>9</sup> Because the General Ledger staff have been diverted to implement PeopleSoft as quickly as possible, HCSD has been forced to discontinue the General Ledger accounting system for FY 2000 and probably most of FY 2001. HCSD will be unable, therefore, to provide actual "cost per adjusted discharge," but will be able to provide "operating expense per adjusted discharge" in La Pas reporting for those years. This figure will be technically different but substantively comparable to "cost per adjusted discharge."
- <sup>10</sup> The change from an 80% compliance to 100% compliance reflects a change in calculations. The 100% level reflects a pass/fail approach to certification.

**GENERAL PERFORMANCE INFORMATION:**

<b>PERFORMANCE INDICATOR</b>	<b>PRIOR YEAR ACTUAL FY 1994-95</b>	<b>PRIOR YEAR ACTUAL FY 1995-96</b>	<b>PRIOR YEAR ACTUAL FY 1996-97</b>	<b>PRIOR YEAR ACTUAL FY 1997-98</b>	<b>PRIOR YEAR ACTUAL FY 1998-99</b>
Percentage of gross revenue that is outpatient revenue (prior year)	Not available <sup>1</sup>	48.14%	49.91%	53.50%	54.11%
HCIA National Standard for cost per adjusted discharge (median)	4,099	4,337	4,477	4,477	Not available <sup>2</sup>
HCIA National Personal services (salaries & benefits) cost as a percent of operating cost (median)	50.74%	50.45%	50.01%	Not available <sup>2</sup>	Not available <sup>2</sup>

<sup>1</sup> This information is not stored in the computerized financial accounting system, but is archived, if it still exists, on microfiche at the hospitals. Some hospitals were able to locate it and some were not.

<sup>2</sup> The 2000 Sourcebook, which will contain standards for 1998, has been published, but has not yet been received by HCSD.

2. (KEY) To enroll at least one-third of the eligible diagnosed diabetic, asthmatic, HIV+ and high risk congestive heart failure patients in the Health Care Services Division (HCSD) system into disease management protocols.

Strategic Link: *Implements strategic plan Goal 1 initiatives: To improve the effectiveness of health care delivery in the HCSD system by enhancing the preventive and primary care components.*

Explanatory Note: Eligible is defined as having the diagnosis and being compliant with the protocol; High risk congestive heart failure is characterized by admission to the hospital or emergency room with congestive heart failure in the past year.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Patients with covered diseases	Not applicable <sup>1</sup>	Not available <sup>2</sup>	Not applicable <sup>3</sup>	3,348 <sup>4</sup>	3,452 <sup>5</sup>	3,452
K	Eligible diagnosed patients enrolled	Not applicable <sup>1</sup>	Not available <sup>2</sup>	Not applicable <sup>3</sup>	837 <sup>4</sup>	1,151	1,151

<sup>1</sup> This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

<sup>2</sup> This is a new performance indicator to measure the new objective above. The HCSD (representatives of the medical and administrative sides of each medical center and the administrative office) is in the process of developing a new strategic plan which will more clearly reflect the core purposes and values of the Division. The focus expressed in the goals in the 1998-2002 (health care effectiveness with emphasis on preventive and primary care; integrated health delivery network with internal and external community partners; and improved management information systems and fiscal accountability) is unchanged, but emphasis in the objectives chosen has changed slightly.

<sup>3</sup> This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

<sup>4</sup> This indicator is critically important to measuring the system's success in implementing the disease management initiative. However, eligibility for the initiative is currently calculated differently by each medical center. An important part of the reason for the new strategic plan is to systematize the hospitals, so that comparisons and, therefore, improvements based on sharing information can occur. One step in this process is to agree on and implement a definition for eligibility for disease management. This will take place in the fiscal year and correct eligibility figures will be available for the next Operational Plan.

<sup>5</sup> The patients with covered diseases estimate is based on computerized patient billing records which provide an unduplicated count of patients with targeted diseases seen in the hospital in 1998. This is currently an underestimate of the actual prevalence of these disorders in the patient population because: a) only patients who have been diagnosed with the disorder are reflected; and b) billing records reflect the treatment provided - not the medical history of the patient.

3. (SUPPORTING) To assess and take steps to ameliorate over utilized or non-existent services in the W.O. Moss (WOM) catchment area.

Strategic Link: *This objective reflects the incremental movement toward the achievement of the 1998-2002 Health Care Services Division Strategic Plan Goal 2 which is to implement initiatives to improve coordination with other segments of the Louisiana health care delivery system.*

Explanatory Note: Catchment area is defined as the parishes from which the majority of the hospital's patients are drawn. The parishes include Beauregard, Calcasieu, Cameron, and Jefferson Davis.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Percentage completion of community needs assessment in the WOM catchment area	Not applicable <sup>2</sup>	0%	Not applicable <sup>3</sup>	0% <sup>4</sup>	100%	100%
S	Number of collaborative agreements signed with other health care providers <sup>1</sup>	Not applicable <sup>2</sup>	9	Not applicable <sup>3</sup>	9 <sup>4</sup>	10	10

<sup>1</sup> Collaborative agreements have been defined as contracts, cooperative endeavors, or affiliation agreements with health care providers (i.e., hospitals, physicians, nurses, allied health providers or agencies) or health-related entities (i.e., schools, state agencies) outside the HCSD system.

<sup>2</sup> This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

<sup>3</sup> This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

<sup>4</sup> This Existing Operating Budget Level figure is an estimate and not a standard.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	25,331,003	25,656,173	25,656,173	26,458,563	25,634,411	(21,762)
Fees & Self-gen. Revenues	1,009,917	1,009,917	1,009,917	1,009,917	1,009,917	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	2,033,414	2,062,679	2,062,679	2,062,679	2,062,679	0
TOTAL MEANS OF FINANCING	<b>\$28,374,334</b>	<b>\$28,728,769</b>	<b>\$28,728,769</b>	<b>\$29,531,159</b>	<b>\$28,707,007</b>	<b>(\$21,762)</b>
EXPENDITURES & REQUEST:						
Salaries	\$10,393,463	\$10,968,723	\$10,968,723	\$11,318,316	\$10,943,832	(\$24,891)
Other Compensation	570,722	301,280	301,280	301,280	301,280	0
Related Benefits	1,728,060	1,908,219	1,908,219	1,964,055	2,022,723	114,504
Total Operating Expenses	7,033,438	7,578,608	7,578,608	7,809,903	7,455,678	(122,930)
Professional Services	5,609,240	6,158,776	6,158,776	6,317,890	6,158,776	0
Total Other Charges	2,520,693	1,532,163	1,532,163	1,532,715	1,537,718	5,555
Total Acq. & Major Repairs	518,718	281,000	281,000	287,000	287,000	6,000
TOTAL EXPENDITURES AND REQUEST	<b>\$28,374,334</b>	<b>\$28,728,769</b>	<b>\$28,728,769</b>	<b>\$29,531,159</b>	<b>\$28,707,007</b>	<b>(\$21,762)</b>
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	0	437	437	437	423	(14)
Unclassified	0	0	0	0	0	0
TOTAL	0	437	437	437	423	(14)

A supplementary recommendation of \$21.7 million, of which all is Uncompensated Care, is included in this program, including 466 positions. Funding is dependent upon renewal of the 3% suspension of the exemptions to the sales tax.

A supplementary recommendation of \$1.7 million, of which \$1.6 million is Uncompensated Care and \$85,000 is claims from the Medically Needy Program, is included in the program. These items are contingent upon Revenue Sources in excess of the Official Revenue Estimating Conference Forecast subject to Legislative approval and recognition by Revenue Estimating Conference.

## SOURCE OF FUNDING

This program is funded with Interagency Transfers, Self-generated Revenue and Federal Funds. The Interagency Transfers represent Title XIX reimbursement from the Medicaid program for services provided to Medicaid eligible and "free care" patients. The Self-generated Revenue represents insurance and self pay revenues for services provided to patients who are not eligible for "free care". The Federal Funds are derived from Title XVIII, Medicare payments for services provided to Medicare eligible patients.

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$0</b>	<b>\$28,728,769</b>	<b>437</b>	<b>ACT 10 FISCAL YEAR 1999-2000</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$0	0	None
<b>\$0</b>	<b>\$28,728,769</b>	<b>437</b>	<b>EXISTING OPERATING BUDGET – December 3, 1999</b>
\$0	\$169,122	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$180,471	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	(\$149,991)	0	Risk Management Adjustment
\$0	\$287,000	0	Acquisitions & Major Repairs
\$0	(\$281,000)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$770)	0	Legislative Auditor Fees
\$0	(\$649)	0	UPS Fees
\$0	(\$4,760)	0	Salary Base Adjustment
\$0	(\$224,263)	0	Attrition Adjustment
\$0	(\$100,400)	(14)	Personnel Reductions
\$0	\$6,485	0	Civil Service Fees
\$0	\$38,904	0	Other Adjustments - Maintenance contracts on existing equipment
\$0	\$85,617	0	Other Adjustments - Increase transfer of Ryan White Federal Funds from OPH for HIV medications
\$0	(\$27,528)	0	Other Adjustments - Estimated reduction in meals Moss provides to OAD - Brisco
<b>\$0</b>	<b>\$28,707,007</b>	<b>423</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>(\$23,515,400)</b>	<b>(320)</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$0</b>	<b>\$5,191,607</b>	<b>103</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001</b>
			<b>SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:</b>
\$0	\$21,750,400	320	A supplementary recommendation of \$21.7 million, of which all is Uncompensated Care, is included in the Total Recommended for W.O. Moss Regional Medical Center, including 320 positions
<b>\$0</b>	<b>\$21,750,400</b>	<b>320</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL</b>

			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$1,765,000	0	A supplementary recommendation of \$1.7 million, of which \$1.6 million is Uncompensated Care and \$85,000 is claims from the Medically Needy Program, is included in the Total Recommended for W.O. Moss Regional Medical Center
<b>\$0</b>	<b>\$1,765,000</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$0</b>	<b>\$28,707,007</b>	<b>423</b>	<b>GRAND TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 99.9% of the existing operating budget. It represents 82.1% of the total request (\$34,991,417) for this program. The overall decrease is a result of a reduction in risk management premiums. This decrease is offset by an increase in funding for maintenance contracts on existing equipment, and an increase in the transfer of Ryan White Federal Funds from the Office of Public Health for HIV medications. This decrease will not have a significant impact on the delivery of services.

## PROFESSIONAL SERVICES

\$4,080,208	Regional Physicians for physician services
\$1,552,698	C & M Medical Services for for emergency room staffing services and day clinic triage
\$331,200	Regional Physicians for Cardiology services
\$108,160	Lake Charles Area Rehabilitation for Physical Therapy services
\$47,520	Dr. Larry Hauskins for Radiation Oncology services
\$30,000	Don Arnold for architectural services
\$8,000	S. Longo and Associates for Joint Commission on the Accreditation of Healthcare Organizations consultation
\$990	Deaf Action Center for interpretation for hearing impaired patients
<b>\$6,158,776</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

## OTHER CHARGES

\$17,280	Legislative Auditor expenses
<b>\$17,280</b>	<b>SUB-TOTAL OTHER CHARGES</b>
	<b>Interagency Transfers:</b>
\$1,324,300	Payments to the Office of Mental Health for operation of the acute Psychiatric inpatient unit
\$142,232	Payments to the LSU Medical Center for physician services
\$38,543	Payments to the Department of Civil Service
\$12,565	Payments for Uniform Payroll System expenses
\$2,798	Payments for the Comprehensive Public Employees Training Program
<b>\$1,520,438</b>	<b>SUB-TOTAL INTERAGENCY TRANSFERS</b>
<b>\$1,537,718</b>	<b>TOTAL OTHER CHARGES</b>

## ACQUISITIONS AND MAJOR REPAIRS

\$287,000 Funding for replacement of inoperable and obsolete equipment

**\$287,000 TOTAL ACQUISITIONS AND MAJOR REPAIRS**